

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-16-4 Refer to Exh. BSG/JES-1, Schedule JES-15. Please provide a schedule that shows the amount of materials and supplies inventory as of December 31 for years 1992 through 2003.

Response: See Table DTE-16-4 below.

TABLE DTE-16-04

<u>Year</u>	<u>Amount</u>
	\$
1992	2,248,114
1993	2,173,645
1994	1,722,889
1995	1,420,216
1996	1,822,251
1997	3,824,132
1998	3,498,728
1999	3,719,657
2000	3,767,218
2001	4,128,596
2002	3,991,137
2003	3,157,952

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-16-5 Refer to Exh. BSG/JES-1, Schedule JES-13, at 1. Please provide the amount of annual plant held for future use from 1991 through 2003.

Response: See Table DTE-16-5 below.

TABLE DTE-16-05

<u>Year</u>	<u>Amount</u>
	\$
1991	0
1992	0
1993	0
1994	0
1995	0
1996	0
1997	411,131
1998	411,131
1999	411,131
2000	411,131
2001	411,131
2002	0
2003	0

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-16-6 Please provide a copy of page 34 of the Company's Annual Returns to the Department of Telecommunications and Energy ("Department") for the years 1991 through 2003

Response: Please see Attachment DTE-16-6.

Annual report ofBAY STATE GAS COMPANY.....Year ended December 31, 1991

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)

Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.

Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		88,027,840.94	88,027,840.94
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		11,599,406.64	11,599,406.64
4	Transfer.....		95,703.45	95,703.45
5				
6				
7	TOTAL CREDITS DURING YEAR.....		11,695,110.09	11,695,110.09
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		2,472,303.44	2,472,303.44
10	Cost of Removal.....		690,866.16	690,866.16
11	Salvage (Credit).....		(210,638.89)	(210,638.89)
12				
13	NET CHARGES DURING YEAR.....		2,952,530.71	2,952,530.71
14	Balance December 31, 1991.....		96,770,420.32	96,770,420.32

METHOD OF DETERMINATION OF DEPRECIATION CHARGES

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

Line No.		Average Plant	Average Rate	Depreciation
15				
16				
17	Production.....	13,721,083	2.304%	316,164
18	Distribution.....	331,595,756	2.979%	9,879,611
19	General.....	22,785,176	4.375%	995,921
20	Transportation.....	4,924,049	8.280%	407,711
21	Total.....	373,006,064	3.110%	11,599,407
22				
23				

DIVIDENDS DECLARED DURING THE YEAR (Accounts 437,438)

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24							
25							
26							
27	See Page 34A						
28							
29							
30							
31							
32							
33	TOTALS						
34							
35	Dividend rates on Common Stock and Premium %.						
36	Dividend rates on Common Stock, Premium, and Surplus %.						

Annual report of BAY STATE GAS COMPANY Year ended December 31, 1992

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)

Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.

Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year		96,770,420.32	96,770,420.32
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation		12,979,000.00	12,979,000.00
4	CNG Equipment & Vehicles		(72,739.61)	(72,739.61)
5				
6				
7	TOTAL CREDITS DURING YEAR		12,906,260.39	12,906,260.39
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired		3,138,805.24	3,138,805.24
10	Cost of Removal		643,598.89	643,598.89
11	Salvage (Credit)		(235,068.57)	(235,068.57)
12				
13	NET CHARGES DURING YEAR		3,547,335.56	3,547,335.56
14	Balance December 31, 1991		106,129,345.15	106,129,345.15

METHOD OF DETERMINATION OF DEPRECIATION CHARGES

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

Line No.		Average Plant	Average Rate	Depreciation
15				
16				
17	Production	13,783,292	0.0231	318,791
18	Distribution	358,491,558	0.0303	10,790,879
19	General	34,388,311	0.0416	1,430,127
20	Transportation	5,300,447	0.0629	439,403
21	Total	409,963,608	0.0317	12,979,000
22				
23				

DIVIDENDS DECLARED DURING THE YEAR (Accounts 437,438)

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24							
25							
26							
27	See Page 34A						
28							
29							
30							
31							
32							
33	TOTALS						
34							
35	Dividend rates on Common Stock and Premium	%					
36	Dividend rates on Common Stock, Premium, and Surplus	%					

Annual report ofBAY STATE GAS COMPANY.....Year ended December 31, 1993

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)

Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.

Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		106,129,345.14	106,129,345.14
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		17,762,399.56	17,762,399.56
4	CNG Equipment & Vehicles.....		(1,907.33)	(1,907.33)
5	Equipment transfer to N.U.		(21,164.57)	(21,164.57)
6				
7	TOTAL CREDITS DURING YEAR.....		17,739,327.66	17,739,327.66
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		5,113,533.14	5,113,533.14
10	Cost of Removal.....		640,477.06	640,477.06
11	Salvage (Credit).....		(379,267.81)	(379,267.81)
12				
13	NET CHARGES DURING YEAR.....		5,374,742.39	5,374,742.39
14	Balance December 31, 1993.....		118,493,930.41	118,493,930.41

METHOD OF DETERMINATION OF DEPRECIATION CHARGES

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

		Average Plant	Average Rate	Depreciation
15				
16				
17	Production.....	13,643,116	0.0422	575,185
18	Distribution.....	388,289,214	0.0368	14,303,039
19	General.....	39,247,022	0.0606	2,377,515
20	Transportation.....	5,531,236	0.0916	506,661
21	Total.....	446,710,588	0.0398	17,762,400
22				
23				
	Note: Depreciation taken for Federal Taxes purposes is unavailable at this time; the tax filing date has been extended.			

DIVIDENDS DECLARED DURING THE YEAR (Accounts 437,438)

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24							
25							
26							
27	See Page 34A						
28							
29							
30							
31							
32							
33	TOTALS						
34							
35	Dividend rates on Common Stock and Premium %.						
36	Dividend rates on Common Stock, Premium, and Surplus %.						

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)				
Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.				
Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		\$ 118,493,930.41	\$ 118,493,930.41
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		18,789,871.52	18,789,871.52
3A	Allocated Vehicle Depreciation		783,948.67	783,948.67
	Sub-Total		19,573,820.19	19,573,820.19
4	CNG Equipment & Vehicles.....		(92,131.28)	(92,131.28)
5	Equipment transfer to N.U.			
6				
7	TOTAL CREDITS DURING YEAR.....		19,481,688.91	19,481,688.91
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		2,347,554.85	2,347,554.85
10	Cost of Removal.....		710,280.17	710,280.17
11	Salvage (Credit).....		(319,874.61)	(319,874.61)
12				
13	NET CHARGES DURING YEAR.....		2,737,960.41	2,737,960.41
14	Balance December 31, 1994.....		\$ 135,237,658.91	\$ 135,237,658.91

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

15		Average	Average	
16		Plant	Rate	Depreciation
17	Production.....	\$ 13,626,771.12	0.0422	\$ 574,998.38
18	Distribution.....	422,840,592.05	0.0367	15,508,109.26
19	General.....	44,724,774.20	0.0660	2,952,192.87
20	Transportation.....	5,900,869.88	0.0916	540,519.68
21	Total.....	\$ 487,093,007.25	0.0402	\$ 19,573,820.19
22	Note: Depreciation taken for Federal Tax purposes is unavailable at this time;			
23	the tax filing date has been extended.			

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24	See Page 34A						
25							
26							
27							
28							
29							
30							
31							
32							
33	TOTALS						
34	Dividend rates on Common Stock and Premium %.						
35	Dividend rates on Common Stock, Premium, and Surplus %.						
36							

Annual report ofBAY STATE GAS COMPANY.....Year ended December 31, 1995

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)

Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.

Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		\$ 135,237,658.91	\$ 135,237,658.91
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		19,040,802.37	19,040,802.37
3A	Allocated Vehicle Depreciation		729,186.00	729,186.00
	Sub-Total		19,769,988.37	19,769,988.37
4	CNG Equipment & Vehicles.....		(68,261.59)	(68,261.59)
5	Equipment transfer to N.U.			
6				
7	TOTAL CREDITS DURING YEAR.....		19,701,726.78	19,701,726.78
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		29,893,250.43	29,893,250.43
10	Cost of Removal.....		626,759.96	626,759.96
11	Salvage (Credit).....		(18,321,361.05)	(18,321,361.05)
12				
13	NET CHARGES DURING YEAR.....		12,198,649.34	12,198,649.34
14	Balance December 31, 1995.....		\$ 142,740,736.35	\$ 142,740,736.35

METHOD OF DETERMINATION OF DEPRECIATION CHARGES

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

Line No.		Average Plant	Average Rate	Depreciation
15				
16				
17	Production.....	\$ 13,863,226.00	0.0417	\$ 578,241.00
18	Distribution.....	434,311,639.00	0.0356	15,457,795.00
19	General.....	50,743,603.00	0.0624	3,164,046.37
20	Transportation.....	6,510,014.00	0.0875	569,906.00
21	Total.....	\$ 505,428,482.00	0.0372	\$ 19,769,988.37
22				
23	Note: Depreciation taken for Federal Tax purposes is unavailable at this time; the tax filing date has been extended.			

DIVIDENDS DECLARED DURING THE YEAR (Accounts 437,438)

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24							
25							
26							
27	See Page 34A						
28							
29							
30							
31							
32							
33	TOTALS						
34							
35	Dividend rates on Common Stock and Premium %.						
36	Dividend rates on Common Stock, Premium, and Surplus %.						

Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.

METHOD OF DETERMINATION OF DEPRECIATION CHARGES

DIVIDENDS DECLARED DURING THE YEAR (Accounts 437,438)

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24	See Page 34A						
25							
26							
27							
28							
29							
30							
31							
32							
33	TOTALS						
34	Dividend rates on Common Stock and Premium %.						
35	Dividend rates on Common Stock, Premium, and Surplus %.						
36							

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)

Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		157,909,799.82	157,909,799.82
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		19,794,105.74	19,794,105.74
3A	Allocated Vehicle Depreciation		782,414.64	782,414.64
	Sub-Total		20,576,520.38	20,576,520.38
4	CNG Equipment & Vehicles.....		(94,303.32)	(94,303.32)
5	Equipment transfer to N.U.			
6				
7	TOTAL CREDITS DURING YEAR.....		20,482,217.06	20,482,217.06
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		26,987,400.22	26,987,400.22
10	Cost of Removal.....		1,314,795.96	1,314,795.96
11	Salvage (Credit).....		(17,787,076.34)	(17,787,076.34)
12				
13	NET CHARGES DURING YEAR.....		10,515,119.84	10,515,119.84
14	Balance December 31, 1997.....		167,876,897.04	167,876,897.04

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

15		Plant	Average	
16		Bal. 1/1/97	Rate	Depreciation
17	Production.....	14,396,252	0.0409	\$589,284
18	Distribution.....	453,814,289	0.0346	\$15,711,290
19	General.....	70,181,350	0.0609	\$4,275,946
20				
21	Total.....	538,391,891	0.0382	\$20,576,520
22	Note: Transportation Equip, Power Operated Equipment Depr charged to clearing			
23	account. CNG Equip Depr charge to deferred debit not included in this average.			

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24	See Page 34A						
25							
26							
27							
28							
29							
30							
31							
32							
33	TOTALS						
34	Dividend rates on Common Stock and Premium %. Dividend rates on Common Stock, Premium, and Surplus %.						
35							
36							

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)

Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		\$ 167,876,897.04	\$ 167,876,897.04
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		19,470,714.32	19,470,714.32
3A	Allocated Vehicle Depreciation		690,877.80	690,877.80
	Sub-Total		20,161,592.12	20,161,592.12
4	CNG Equipment & Vehicles.....			
5	Equipment transfer to N.U.			
6				
7	TOTAL CREDITS DURING YEAR.....		20,161,592.12	20,161,592.12
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		5,624,326.18	5,624,326.18
10	Cost of Removal.....		931,462.55	931,462.55
11	Salvage (Credit).....		(47,658.01)	(47,658.01)
12				
13	NET CHARGES DURING YEAR.....		6,508,130.72	6,508,130.72
14	Balance December 31, 1998.....		\$ 181,530,358.44	\$ 181,530,358.44

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

	Plant Bal. 1/1/98	Average Rate	Depreciation
15			
16			
17	Production.....	\$ 14,056,591	0.0409 \$ 574,810
18	Distribution.....	472,398,613	0.0333 \$15,745,054
19	General.....	53,767,801	0.0715 \$3,841,727
20			
21	Total.....	\$ 540,223,005	0.0373 \$ 20,161,592
22	Note: Transportation Equip, Power Operated Equipment Depr charged to clearing		
23	account. CNG Equip Depr charge to deferred debit not included in this average.		

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24	See Page 34A						
25							
26							
27							
28							
29							
30							
31							
32							
33	TOTALS						
34							
35	Dividend rates on Common Stock and Premium %.						
36	Dividend rates on Common Stock, Premium, and Surplus %.						

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)				
Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.				
Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		\$ 181,530,358.44	\$ 181,530,358.44
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		19,738,454.05	19,738,454.05
3A	Allocated Vehicle Depreciation		483,822.20	483,822.20
	Sub-Total		20,222,276.25	20,222,276.25
4	CNG Equipment & Vehicles.....			0.00
5	Equipment transfer from EUSA		328,243.80	328,243.80
6				
7	TOTAL CREDITS DURING YEAR.....		20,550,520.05	20,550,520.05
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		3,589,039.72	3,589,039.72
10	Cost of Removal.....		892,082.58	892,082.58
11	Salvage (Credit).....		(173,651.71)	(173,651.71)
12				
13	NET CHARGES DURING YEAR.....		4,307,470.59	4,307,470.59
14	Balance December 31, 1999.....		\$ 197,773,407.90	\$ 197,773,407.90

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

15		Plant	Average	
16		Bal. 1/1/99	Rate	Depreciation
17	Production.....	\$ 13,894,942	0.0425	\$ \$582,550
18	Distribution.....	497,129,886	0.0299	\$14,461,261
19	General.....	57,761,320	0.0953	\$5,506,709
20				#
21	Total.....	\$ 568,586,148	0.0361	\$ \$20,550,520
22	Note: Transportation Equip, Power Operated Equipment Depr charged to clearing			
23	account. CNG Equip Depr charge to deferred debit not included in this average.			

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24	See Page 34A						
25							
26							
27							
28							
29							
30							
31							
32							
33	TOTALS						
34	Dividend rates on Common Stock and Premium %.						
35	Dividend rates on Common Stock, Premium, and Surplus %.						
36							

Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.

Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		\$ 197,773,407.90	\$ 197,773,407.90
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		21,242,796.12	21,242,796.12
3A	Allocated Vehicle Depreciation		539,234.04	539,234.04
	Sub-Total		21,782,032.16	21,782,032.16
4	CNG Equipment & Vehicles.....			0.00
5	Equipment transfer from EUSA		0.00	0.00
6				
7	TOTAL CREDITS DURING YEAR.....		21,782,032.16	21,782,032.16
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		17,824,007.68	17,824,007.68
10	Cost of Removal.....		660,842.42	660,842.42
11	Salvage (Credit).....		(121,779.33)	(121,779.33)
12				
13	NET CHARGES DURING YEAR.....		18,363,070.77	18,363,070.77
14	Balance December 31, 2000.....		\$ 201,192,369.29	\$ 201,192,369.29

METHOD OF DETERMINATION OF DEPRECIATION CHARGES

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

		Plant Bal. 1/1/00	Average Rate	Depreciation
15				
16				
17	Production.....	\$ 26,410,786	0.0458	\$ 1,210,817
18	Distribution.....	526,486,845	0.0293	15,400,816
19	General.....	58,319,804	0.0887	5,170,599
20				
21	Total.....	\$ 611,217,436	0.0356	\$ 21,782,032
22	Note: Transportation Equip. Power Operated Equipment Depr charged to cleaning			
23	account. CNG Equip Depr charge to deferred debit not included in this average.			

DIVIDENDS DECLARED DURING THE YEAR (Accounts 437,438)

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24	See Page 34A						
25							
26							
27							
28							
29							
30							
31							
32							
33	TOTALS						
34	Dividend rates on Common Stock and Premium %.						
35	Dividend rates on Common Stock, Premium, and Surplus %.						
36							

Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.

METHOD OF DETERMINATION OF DEPRECIATION CHARGES

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

DIVIDENDS DECLARED DURING THE YEAR (Accounts 437,438)

34 Dividend rates on Common Stock and Premium %.

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)

Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		\$ 212,786,212.51	\$ 212,786,212.51
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		22,362,496.63	22,362,496.63
3A	Allocated Vehicle Depreciation		387,430.80	387,430.80
	Sub-Total		22,749,927.43	22,749,927.43
4	CNG Equipment & Vehicles.....		0.00	0.00
5	Equipment transfer		1,932.57	1,932.57
6				
7	TOTAL CREDITS DURING YEAR.....		22,751,860.00	22,751,860.00
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		2,787,277.07	2,787,277.07
10	Cost of Removal.....		788,409.89	788,409.89
11	Salvage (Credit).....		(171,853.84)	(171,853.84)
12				
13	NET CHARGES DURING YEAR.....		3,403,833.12	3,403,833.12
14	Balance December 31, 2001.....		\$ 232,134,239.39	\$ 232,134,239.39

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

		Plant Bal. 1/1/02	Average Rate	Depreciation
15				
16				
17	Production.....	\$ 23,582,817	0.0481	\$ 1,134,306
18	Distribution.....	573,589,112	0.0301	\$17,265,811
19	General.....	46,063,858	0.0944	\$4,350,010
20				
21	Total.....	\$ 643,235,787	0.0354	\$ 22,749,927
22	Note: Transportation Equip, Power Operated Equipment Depr charged to clearing			
23	account. CNG Equip Depr charge to deferred debit not included in this average.			

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24	See Page 34A						
25							
26							
27							
28							
29							
30							
31							
32							
33	TOTALS						
34	Dividend rates on Common Stock and Premium %.						
35	Dividend rates on Common Stock, Premium, and Surplus %.						
36							

RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE (Account 254)				
Show below the amount credited during the year to Depreciation Reserve, and the amount charged to Depreciation Reserve on account of property retired. Also the balance in the account at the end of the year.				
Line No.	(a)	Electric (b)	Gas (c)	Total (d)
1	Balance at beginning of year.....		\$ 232,134,239.39	\$ 232,134,239.39
2	Credits to Depreciation Reserve during year:			
3	Account 403 Depreciation.....		23,064,765.16	23,064,765.16
3A	Allocated Vehicle Depreciation		344,319.00	344,319.00
	Sub-Total		23,409,084.16	23,409,084.16
4	CNG Equipment & Vehicles.....		0.00	0.00
5	An adjustment for leased assets that had been erroneously retired		5,400,587.29	5,400,587.29
6				
7	TOTAL CREDITS DURING YEAR.....		28,809,671.45	28,809,671.45
8	Net Charges for Plant Retired:			
9	Book Cost of Plant Retired.....		3,419,498.81	3,419,498.81
10	Cost of Removal.....		954,448.37	954,448.37
11	Salvage (Credit).....		(90,157.26)	(90,157.26)
12	Other		8,294.86	8,294.86
13	NET CHARGES DURING YEAR.....		4,292,084.78	4,292,084.78
14	Balance December 31, 2003.....		\$ 256,651,826.06	\$ 256,651,826.06

Give in detail the rule and rates, by which the respondent determined the amount charged to operating expenses and other accounts, and credited to Depreciation Reserve. Report also the depreciation taken for the year for federal income tax purposes.

15		Plant	Average	
16		Bal. 1/1/03	Rate	Depreciation
17	Production.....	\$ 24,089,955	0.0472	\$ 1,137,762
18	Distribution.....	598,740,301	0.0300	\$17,989,480
19	General.....	45,831,505	0.0859	\$3,937,523
20				
21	Total.....	\$ 668,661,761	0.0345	\$ 23,064,765
22	Note: Transportation Equip, Power Operated Equipment Depr charged to clearing			
23	account. CNG Equip Depr charge to deferred debit not included in this average.			

Give particulars of dividends declared on each class of stock during the year, and charged to Earned Surplus. This schedule shall include only dividends that have been declared by the Board of Directors during the fiscal year.

Line No.	Name of Security on Which Dividend was Declared (a)	Rate Per Cent		Amount of Capital Stock On Which Dividend Was Declared (d)	Amount of Dividend (e)	Date	
		Regular (b)	Extra (c)			Declared	Payable
24	See Page 34A						
25							
26							
27							
28							
29							
30							
31							
32							
33	TOTALS						
34	Dividend rates on Common Stock and Premium %.						
35	Dividend rates on Common Stock, Premium, and Surplus %.						
36							

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE-16-16 Refer to Exh. BSG/DGC-9, at 1. Please provide all documentation relating to capital expenditure List No. 4. The documentation should include:

- (1) the process of identifying the project, including Bay State's engineering estimates and distribution planning for the project;
- (2) all notices from and communications with the Massachusetts Correctional Institute ("MCI") - Bridgewater regarding the project;
- (3) all notices and communications with appropriate regulatory agencies relating to the encasing of a railroad crossing for public safety purposes;
- (4) any cost-benefit analyses performed consistent with requirements listed in Exh. BSG/DGC-1, at 33-34;
- (5) copy of the duly signed and approved project capital authorization;
- (6) analysis of and justifications for variations of actual costs from estimated costs;
- (7) copy of duly signed and approved variance authorization; and
- (8) copy of any WOMS report, closing report, and any post-project evaluation performed.

Response: Bay State Gas Company has an ongoing business relationship with MCI Bridgewater extending to 1992 when the Company began gas service to MCI Bridgewater's Boot Camp facility. The relationship continues today, as the Company continues to discuss energy needs at Massachusetts Correctional Institutions in Walpole, Norfolk and Bridgewater.

- (1) For engineering purposes, the project was identified in spring, 1999, when the Sales Department requested an estimate of the cost to serve MCI Bridgewater's power plant. A field information form was filled out by the Engineering Department, estimating the size and footage of new main and service lines needed to serve the projected load. Meter equipment and cost were also estimated. A copy of the field information form is appended to this response.

Computerized pressure and flow simulations were used to determine proper pipe sizes and the study the effects of the new MCI Bridgewater load on the rest of the gas distribution system. Before final main sizes were selected, Engineering considered gas demand in the area and recent growth. In the case of the MCI Bridgewater project, Engineering decided to increase the main size to allow for

future load growth in the area. The final cost estimate is shown on the project authorization. See Attachment DTE16-16 (1)

(2) See Attachment DTE 16-16 (2)

(3) There are no notices or communications with regulatory agencies related to casing the railroad crossing to serve MCI Bridgewater since there was never an issue with making a crossing that would comply with all applicable federal and state regulations. Individual railroads, however, can and often do require gas utilities to agree to extraordinary design and construction practices before agreeing to issue a construction permit.

The railroad's insistence on casing with 30 inch pipe rather than allowing direct burial of 12 inch gas main caused a significant increase in cost for this portion of the project.

(4) See Attachment DTE 16-16 (4)

(5) See Attachment DTE 16-16 (5)

(6) See Attachment DTE 16-16 (6)

(7) See Attachment DTE 16-16 (5)

(8) See Attachment DTE 16-16 (8)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE-16-17 Refer to Exh. BSG/DGC-1, at 40-41. Please provide any studies, manuals or publications used by the Company as a reference or basis for conducting benefit/cost analyses for:

- (1) non-discretionary plant additions to rate base;
- (2) revenue-producing plant additions to rate base.

Response: (1) There are no economic or cost benefit analyses performed for non-discretionary plant additions to rate base. See DTE-16-18.

(2) The Company utilizes a discounted cash flow analysis to evaluate revenue producing plant additions. A sample report produced by the analysis is attached as DTE-16-17 (a).

A primary input into the analysis is the Hurdle Rate for the project. The Company utilizes a Risk Adjusted Hurdle Rate. Higher risk projects have a higher hurdle rate than lower risk projects. The Growth Investment Evaluation Framework currently utilized is presented in DTE-16-17 (b).

Massachusetts Internal Rate of Return		
1.] Project Name:	Winthrop Heights	
2.] Project Location:	Craven Court	
Town Code:	189	
4.] Base Case = 1 / Best Case = 2	2	Best Case
Residential = 1 / C&I = 2 /		
5.] Combined = 3	1	Residential
6.] Required Return	10.00%	See note

Customer Code		
C&I	Residential	
Q = 1	Heating	1
S = 2	Non-Heating	2
U = 3	Sub. Heating	3
R = 4	Sub. Non-Htg	4
T = 5		
V = 6		
Print Summary		

Bay State Gas Company

D.T.E. 05-27

DTE-16-17 (a)

Page 1 of 2

Town	Taunton
Division Code	1
Property Tax	\$22.75

6.] <u>[A] Load Data</u>	Year 1	Year 2	Year 3	Year 4
Project Life (years)	55	0	0	0

- a. Customer Code 1
b. Heat Load - Mcf/Meter 130
c. Base Load - Mcf/Meter 31
d. Meters 10

6.] <u>[B] Load Data</u>	Year 1	Year 2	Year 3	Year 4
Project Life (years)	0	0	0	0

- e. Customer Code
f. Heat Load - Mcf/Meter
g. Base Load - Mcf/Meter
h. Meters

Other Variables

Other Revenues - per meter	\$2.66	\$2.66	\$2.66	\$2.66	Res. Customers Only
7.] Incentives or rebates - per meter	\$0	\$0	\$0	\$0	

8.] <u>Investment Cost Data</u>	10.87%	\$17,964	Total		
<u>Best Case</u>			<u>Best Case</u>		
a. Mains	\$5,964			\$5,964	
b. Services	12,000			12,000	
c. Meter & Fit	880			880	
d. Direct Overheads			0		0
* System Improvements [calc]	0	0	0	0	0
* Marginal Cost [calc]	972	0	0	972	
* Total Investment \$	\$19,816	\$0	\$0	\$19,816	
* Cumulative Investment	\$19,816	\$19,816	\$19,816	\$19,816	

	55 Years	25 Years	15 Years	10 Years	5 Years
* IRR	10.87%	10.02%	7.25%	2.14%	-23.71%
* NPV	\$1,595	\$23	(\$2,973)	(\$6,120)	(\$11,244)
* Customer Contribution	\$0	\$0	\$4,892	\$10,071	\$18,503
* Net Payback (yrs)	25	* Net Revenues		\$5,087	

**Massachusetts Internal Rate of Return
Residential**

Bay State Gas Company

D.T.E, 05-27

DTE-16-17 (a)

Page 2 of 2

Scenario:
Development Name
Address
Town

Best Case
Winthrop Heights
Craven Court
189

Division
Number of Meters

Brockton
10

Proposed Heat Load Mcf
Proposed Base Load Mcf
Total Load

1,300
310
1,610

Rate Schedule (year 1)

Heating	N/A
---------	-----

Heat Load per Meter
Base Load per Meter
Load Per Meter

130
31
161

Estimated Cost:

Main
Service
Meter & Fit
Direct Overheads
System Improvements
Marginal Costs
Project Total
Cost per Meter

\$5,964
12,000
880
0
0
972
\$19,816
\$1,982

Cash Flow Results

55 Year Return

Rate of return - IRR
Customer Contribution
* NPV
* Net Payback (years)
* Net Gas Revenues
* Net Rate/MMBtu
* Residential Other Revenues/MTR
* Incentives/MTR

10.87%
\$0
\$1,595
25
5,087
\$3.14
\$2.66
\$0.00

Results (Income Basis)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
Net Gas Revenues	\$5,087	\$5,087	\$5,087	\$5,087
O&M	1,663	1,663	1,663	1,663
Depreciation	396	793	793	793
Property Taxes	<u>451</u>	<u>451</u>	<u>451</u>	<u>451</u>
Operating Income	<u>2,577</u>	<u>2,180</u>	<u>2,180</u>	<u>2,180</u>
Interest Expense	699	699	699	699
Income Taxes	<u>737</u>	<u>737</u>	<u>581</u>	<u>581</u>
Net Income	<u>\$1,141</u>	<u>\$744</u>	<u>\$900</u>	<u>\$900</u>

GROWTH INVESTMENT EVALUATION FRAMEWORK FOR 2005

GROWTH INVESTMENT	EVALUATION PROCESS	RISK ADJUSTED RATE
ON THE MAIN <ul style="list-style-type: none"> Residential with less than 130 feet service required Residential & C&I - “plain vanilla” investments Key Accounts – with a supporting contract [1] Key Accounts – without a supporting contract 	<ul style="list-style-type: none"> Automatic approval Rate of Return (ROR) Analysis required Rate of Return (ROR) Analysis required Rate of Return (ROR) Analysis required 	<ul style="list-style-type: none"> NA 8.6% 8.6% 10.0%
OFF THE MAIN <ul style="list-style-type: none"> System Expansion – new construction & conversions With supporting contracts System Expansion – no supporting contracts 	<ul style="list-style-type: none"> Project write-up, Rate of Return (ROR) and ROR sensitivity analysis required Projects are <i>unacceptable</i> without contracts 	<ul style="list-style-type: none"> 10.0% NA
MULTI - PHASED PROJECTS <ul style="list-style-type: none"> Projects with expected load & customer additions spread over two or more years 	<ul style="list-style-type: none"> Project write-up, Rate of Return (ROR) and ROR sensitivity analysis required 	<ul style="list-style-type: none"> 11.4%
BEYOND THE METER <ul style="list-style-type: none"> Beyond the Meter Investment (contract required) 	<ul style="list-style-type: none"> Project write-up, Rate of Return (ROR) and ROR sensitivity analysis required 	<ul style="list-style-type: none"> 14.2 %

[1] Cash flows supported by a contract to be discounted at the lower hurdle rate of 8.6%, cash flows *not* supported by a contract to be discounted at the higher hurdle rate of 10.0%

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE-16-25 Refer to Exh. BSG/DGC-11, at 1. Please provide any manuals or publications that describe the purpose, structure, and operation of the CIS PRO EDITS intangible plant added in 2000 and 2001. Describe with supporting documentation any modifications and enhancements to the system from 2000 to 2004.

Response: I am not an expert, but have sought information related to the question.

To clarify Exhibit BGS/DGC-11, item 6, the project is essentially the massive data conversion activities and programs associated with the CIS/Customer Accounting system referenced in Exhibit BGS/DGC-11, item 5.

I am informed that the Customer Information System that was implemented for Y2K compliance was based on a technically advanced architecture than that which was previously used at Bay State. The legacy system used predominantly a sequential file architecture similar to many computer systems that were built in the 70's and 80's. The system that was installed to enhance customer service, accounting and operations was built on a client server platform with relational database capabilities. Data conversion (CIS PRO EDITS) processes, programs and tools were required to convert "live" production data being processed in the legacy system to the format required by the CIS/Customer Accounting System. In addition the new client server system has significantly more functionality. Therefore, other data had to be collected from other sources such as systems, paper documents, computer files, etc. to populate the new system so it would function properly when it was installed into production.

The Data Conversion (PRO EDITS) capabilities were developed in parallel with the modifications to the Customer Information System. These two developments were always in lockstep with one another to insure as a new requirement was item was identified for the Customer System to accommodate a DTE requirement or specific business need, the Data Conversion effort would insure that the data was available to satisfy the need. As a result, the Data Conversion effort was generally on the critical path of the entire Customer Information System Y2K compliance process.

After thorough testing and "mock" conversions, the vast majority of the programs, tools and processes developed for Data Conversion were executed "one time" on the day of cut over from the legacy system to the new Y2K compliant CIS/Customer Accounting System. A few of the programs still exist and are used in the event that data that must be corrected or entered manually.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE-16-26 Refer to Exh. BSG/DGC-11, at 1. Please provide any benefit/cost analyses made prior to and as a basis for acquiring the CIS PRO EDITS plant addition. Describe with supporting documentation the process of acquiring the system including any bidding performed.

Response: Also, please refer to response to DTE-16-25.

It is my understanding that since the Data Conversion (CIS PRO EDITS) and the CIS/Customer Accounting System are inextricably linked, once the CIS/Customer Accounting System was chosen there was no benefit/cost analysis performed. The knowledge vested in the individuals performing the Y2K remediation on the CIS system needed to be the same team that performed the Data Conversion activities. To do otherwise, would have imposed significantly greater risk and cost on the entire endeavor.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE-16-27 Refer to Exh. BSG/DGC-1, at 49-51. Please provide a copy of the financial analyses initially performed by the Company and any subsequent studies used as a basis for its decision to do the Masspower/Monson & Palmer Expansion project. Include any studies used as the basis for the construction of the 16-inch main line, the 4-inch distribution line, gate station in Monson, and the distribution laterals to serve the towns of Monson and Palmer.

Response: Please see Attachment DTE-16-27.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE-16-28 Refer to Exh. BSG/DGC-1, at 52. Please describe with supporting documentation the basis for:

- (1) the initial project cost estimate of \$15,530,000;
- (2) the preliminary engineering costs prior to fiscal year 1992 of \$1,100,000;
- (3) the AFUDC for fiscal year 1992 of 533,000; and
- (4) the additional cost of \$3.5 million determined in December 1992.

Response: Please see attachments:

- For (1) please see Attachment DTE-16-28 Attachment A
- For (2) please see Attachment DTE-16-28 Attachment A
- For (3) please see Attachment DTE-16-28 Attachment B
- For (4) please see Attachment DTE-16-28 Attachment B

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE-16-30 Refer to Exh. BSG/DGC-1, at 53. Please provide a detail breakdown with supporting schedules for the following cost items:

(1) \$22,448,367 and the associated depreciation of \$6,407,604 incurred in 1992 and 1994 for the 16-inch main line and the 4-inch distribution line; and

(2) \$3,274,027 and the associated depreciation of \$933,996 incurred for laterals off the 4-inch distribution line.

Response: Please see Attachment DTE-16-30:
Attachment A for (1) & (2) summary
Attachment B for (1)
Attachment C for (2)

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote

- DTE-16-31 Refer to Exh. BSG/DGC-1, at 53. Please describe with supporting schedules or provide the basis for:
- (1) the net operating income of \$1,231,489 in 2004;
 - (2) the return of 9.44 percent and define what is the basis for this return;
 - and
 - (3) the weighted average cost of capital of 8.41 percent.

Response: Please see Attachment DTE-16-31.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-16-36 Please provide the monthly balance of the Company's customer deposits for 2003, 2004 and for 2005 when data is available.

Response: See Table DTE-16-36 below.

Table DTE-16-36

	<u>2003</u>	<u>2004</u>	<u>2005</u>
January	2,947,992	3,174,335	3,074,567
February	2,958,698	3,230,730	3,063,316
March	2,938,388	3,219,965	3,097,416
April	3,068,671	3,248,299	3,121,035
May	3,069,190	3,241,660	3,125,025
June	3,060,159	3,252,803	
July	3,047,552	3,281,545	
August	3,054,937	3,307,518	
September	3,092,075	3,111,191	
October	3,114,082	2,922,019	
November	3,148,299	2,982,730	
December	3,193,256	3,046,491	

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-16-37 Please provide the monthly balance of the Company's customer advances for 2003, 2004 and for 2005 when data is available.

Response: See Table DTE-16-37 below.

Table DTE-16-37

	<u>2003</u>	<u>2004</u>	<u>2005</u>
January	401,647	401,602	8,740
February	401,323	401,493	9,714
March	401,601	401,602	10,471
April	402,001	303,202	10,967
May	403,251	304,202	12,429
June	403,051	7,987	
July	403,251	9,969	
August	403,394	13,841	
September	403,117	16,575	
October	402,763	17,895	
November	402,374	15,594	
December	401,897	11,090	

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-16-39 Please provide the Company's year-end balance of pre-1971
unamortized investment tax credit for 2000 through 2003.

Response: See Table DTE-16-39 below.

TABLE DTE-16-39

<u>Year</u>	<u>Amount</u>
	\$
2000	20,122
2001	17,884
2002	15,646
2003	13,408

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SIXTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: John E. Skirtich, Consultant (Revenue Requirements)

DTE-16-40 Please provide the monthly balance of the Company's unclaimed funds for 2003, 2004 and for 2005 when data is available.

Response: Please see Table DTE-16-40 below.

TABLE DTE-16-40

Month <u>Year</u>	<u>Amount</u> \$
Jan-03	138,646
Feb-03	141,730
Mar-03	123,471
Apr-03	123,549
May-03	120,836
Jun-03	120,836
Jul-03	119,840
Aug-03	65,837
Sep-03	58,889
Oct-03	23,399
Nov-03	36,527
Dec-03	55,116
Jan-04	67,146
Feb-04	67,707
Mar-04	68,738
Apr-04	71,097
May-04	72,884
Jun-04	88,710
Jul-04	88,710
Aug-04	229,578
Sep-04	228,131
Oct-04	215,331
Nov-04	276,864
Dec-04	278,310
Jan-05	280,616
Feb-05	269,791
Mar-05	103,874
Apr-05	106,883
May-05	109,196

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
SEVENTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Joseph A. Ferro, Manager Regulatory Policy

DTE-17-11 Please provide a monthly listing of all Department-ordered billing adjustments from January 2004 through May 2005.

Response: Attachment DTE-17-11 (a) is a monthly schedule of all Department ordered billing adjustments in 2005.

Attachment DTE-17-11 (b) is a monthly schedule of all Department ordered billing adjustments in 2004.

DTE Cases & Dollars Adjusted - 2005

Month	Regulatory responsibility							
	Brockton		Springfield		Lawrence		Mass.	
	# residential cases	Billing Dollars adjusted	# residential cases	Billing Dollars adjusted	# residential cases	Billing Dollars adjusted	# residential cases	Billing Dollars adjusted
Jan-05	7	\$ 2,925.93	6		4		17	\$ 2,925.93
Feb-05	11	\$ 1,986.84	6	\$ 61.10	6		23	\$ 2,047.94
Mar-05	9	\$ 25.00	5			\$ 31.70	14	\$ 56.70
Apr-05	4		7	\$ 252.87	4	\$ 359.89	15	\$ 612.76
May-05	11	\$ 152.69	13	\$ 873.51	5	\$ 28.50	29	\$ 1,054.70
Jun-05							0	\$ -
Jul-05							0	\$ -
Aug-05							0	\$ -
Sep-05							0	\$ -
Oct-05							0	\$ -
Nov-05							0	\$ -
Dec-05							0	\$ -
YTD	42	\$ 5,090.46	37	\$ 1,187.48	19	\$ 420.09	98	\$ 6,698.03

DTE Cases & Dollars Adjusted - 2004

Month	Regulatory responsibility							
	Brockton		Springfield		Lawrence		Mass.	
	# residential cases	Billing Dollars adjusted	# residential cases	Billing Dollars adjusted	# residential cases	Billing Dollars adjusted	# residential cases	Billing Dollars adjusted
Jan-04	7	\$ 131.73	3	\$ 404.86	3	\$ 313.62	13	\$ 850.21
Feb-04	10	\$ 311.90	6	\$ 454.75	4	\$ -	20	\$ 766.65
Mar-04	13	\$ 2,262.64	8	\$ 651.54	4	\$ -	25	\$ 2,914.18
Apr-04	6	\$ -	9	\$ -	1	\$ -	16	\$ -
May-04	15	\$ 680.17	7	\$ 667.34	6	\$ -	28	\$ 1,347.51
Jun-04	14	\$ -	9	\$ -	3	\$ -	26	\$ -
Jul-04	6		7	\$ 769.72	5		18	\$ 769.72
Aug-04	11	\$ 33.41	8	\$ 212.34	2		21	\$ 245.75
Sep-04	10	\$ 1,006.32	7		5		22	\$ 1,006.32
Oct-04	7	\$ 102.90	12		1		20	\$ 102.90
Nov-04	15	\$ 636.22	7	\$ 1,420.29	3		25	\$ 2,056.51
Dec-04	5	\$ 403.77	7	\$ 350.26	1		13	\$ 754.03
YTD	119	\$ 5,569.06	90	\$ 4,931.10	38	\$ 313.62	247	\$ 10,813.78

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
EIGHTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE-18-19 Refer to the Company's response to Information Request AG-2-01.
Please describe the data labeled as "Cor" under column O of Attachment
AG-02-01.

Response: The data labeled as " Cor" under column O of Attachment AG-02-01 refer
to the number of corrosion leaks repaired or eliminated during the year as
reported on the DOT's RSPA F7100.1-1 annual report.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
EIGHTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE-18-21 Please explain any changes in the manner in which the Company will comply with 220 C.M.R. § 113 (Operation, Maintenance, Replacement, and Abandonment of Cast-Iron Pipelines) with the implementation of the SIR program.

Response: There will be no changes in the manner that Bay State complies with CMR 220 section 113. All replacements related to the SIR program are incremental to Bay State's historic replacement levels and will not impact the current level of cast iron replacement.

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
EIGHTEENTH SET OF INFORMATION REQUESTS FROM THE D.T.E.
D. T. E. 05-27

Date: June 23, 2005

Responsible: Danny G. Cote, General Manager

DTE 18-22 Refer to the Company's response to Information Request AG-2-32.

Please provide any supporting documentation for the indicated useful life (over 40 years) and ranges of age of facilities (typically between 45 and 80 years old, with the majority between 50 and 65 years old) slated for replacement under the Company's SIR program.

Response: Bay State has no more detailed information available in a database or any other easily accessed format on the age of these facilities than was provided in AG 2-32. The Brockton system (where the majority of the SIR piping is located) 1 inch to 40 foot scale maps have the installation dates for many of the facilities, including the bare and coated unprotected segments, but these are so voluminous that trying to manually extract this data would take hundreds of manhours and significant manual labor. That said, the statements made in AG 2-32 reflect what Bay State knows, based on its managerial, engineering and operational experience, to be the age of these facilities based on the above referenced map data and what Bay State knows, based on its managerial, engineering and operational experience, to be the period of time when bare steel and coated unprotected pipe were installed in the Bay State system.